

Press release

Banque de Luxembourg to acquire HSH Nordbank's Luxembourg private client business

Hamburg/Kiel/Luxembourg, 4 May 2011 - Banque de Luxembourg is acquiring HSH Nordbank Private Banking S.A.'s private client business. The corresponding agreement, which had previously been approved by the boards of directors of both banks, was signed by Torsten Heick, vice-president of the board of directors of HSH Nordbank Private Banking S.A. and head of Private Banking at HSH Nordbank AG, and Pierre Ahlborn, president of the Comité de Direction of Banque de Luxembourg, at the offices of HSH Nordbank Private Banking S.A. this afternoon. The transaction entails the assets held by HSH Nordbank Private Banking S.A.'s private clients, who are mostly German. It is expected to take legal effect in the second half of the year.

"This acquisition forms part of our efforts to develop our core activities, namely private banking, in which we play a leading role in Luxembourg. We are convinced that given the conditions currently prevailing in Europe Luxembourg's appeal as a financial services centre has continued to grow - not least of all thanks to our expertise and the advantages we offer our private clients in the management of their assets, investment funds, and the quality of our services. Over the past three years, Banque de Luxembourg has invested EUR 150 million to reinforce the growth of its activities in these areas," explains Pierre Ahlborn.

"In Banque de Luxembourg we have found a buyer from whose expertise and positioning our clients will benefit. We are confident that the transaction will be completed to the satisfaction of all parties concerned. For HSH Nordbank the sale additionally marks a further step in our successful strategic realignment," says Torsten Heick.

Banque de Luxembourg has strong roots in Luxembourg, where it manages the assets of numerous private individuals and families. In addition, it has a significant clientele in other European countries. "Together with Belgium, Germany is one of the countries in which the effects of the financial crisis have prompted numerous investors to seek confidence-inspiring and specialised alternatives to the offerings available in their home country. We are therefore very pleased to

welcome this new clientele whose expectations we are very familiar with given our many years of experience in Germany,” adds Luc Rodesch, a member of the Comité de Direction of Banque de Luxembourg and head of Private Banking.

In addition, Banque de Luxembourg wants to continue growing in the Grand Duchy of Luxembourg, while also reaching out to an international clientele seeking prudent asset management. The bank also assists businesses and families wishing to settle in Luxembourg.

Banque de Luxembourg

Established in 1920 in Luxembourg, Banque de Luxembourg is one of the Grand Duchy's most important private banks. It has 750 employees and attends to the needs of local and other European private clients, families and entrepreneurs. As of 31 December 2010, client assets under management were valued at EUR 60.54 billion. Its Tier 1 equity amounted to EUR 637.66 million.
www.banquedeluxembourg.com

HSH Nordbank

As a bank for higher-end medium-sized companies, a provider of real estate projects, a specialist in wealth management for private clients and foundations as well as a partner to savings banks, HSH Nordbank is firmly rooted in the regional economy. On an international scale it numbers among the leading finance specialists in the areas of shipping and aviation as well as energy and infrastructure. The Capital Markets area takes care of funding and liquidity management, providing products in line with its clients' requirements, e. g. interest-rate, currency and commodity-price hedging. Since December 2009 the internal Restructuring Unit has been winding down portfolios on a risk-conscious and loss-minimising basis

Established on 2 June 2003, HSH Nordbank AG is the result of the merger between Hamburgische Landesbank and Landesbank Schleswig-Holstein, with the two headquarters of the Bank being located in Kiel and Hamburg. Consolidated total assets were valued at around EUR 150 billion at the end of 2010, while consolidated net income for 2010 came to EUR 48 million. Worldwide the bank employs a workforce of 3,400 (full-time jobs).

The Free and Hanseatic City of Hamburg and the state of Schleswig-Holstein directly and indirectly (via HSH Finanzfonds AöR) hold 83.3 percent of the shares in HSH Nordbank, the remaining shares being spread among the Sparkassen- und Giroverband Schleswig-Holstein and nine trusts advised by J.C. Flowers & Co. LCC.

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